

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7176**

**BILL NUMBER: SB 215**

**DATE PREPARED:** Apr 11, 2001

**BILL AMENDED:** Apr 11, 2001

**SUBJECT:** Commission on Caregivers.

**FISCAL ANALYST:** Kathy Norris

**PHONE NUMBER:** 234-1360

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill amends requirements of the Drug Utilization Review Board concerning prior authorization programs and programs to reduce costs in the Medicaid outpatient prescription drug program. The bill extends the Prescription Drug Advisory Committee until December 2003 and allows legislative members on the Advisory Committee to vote. The bill requires the Prescription Drug Advisory Committee to make every effort to first expand the current program design to provide an increased benefit to cover a high percentage of the out-of-pocket costs paid by the recipient for the recipient's prescription drugs.

This bill also establishes the Governor's Commission on Caregivers to study issues regarding the availability and quality of caregivers in long term care health settings. The bill requires the Commission to submit a report to the Governor and Legislative Council by not later than October 1, 2002. It allows the Commission to contract with a private individual or organization to provide the staff support necessary for the operation of the Commission, including conducting research and developing the required report. The bill appropriates \$49,000 from the state General Fund for the Commission to fulfill its purpose.

This bill provides that an individual in need of in-home care who is an eligible Medicaid recipient or a participant in the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program may employ registered personal services attendants to provide attendant care services. The bill exempts from these provisions home health agencies, hospice programs, and health care professionals who practice within the scope of their license. The bill also allows a personal services attendant to perform certain in-home services and medical activities that, in the opinion of the attending physician, meet certain conditions and for which the attendant has received training or instruction on how to properly perform the medical activity from a licensed health professional. The bill requires an individual in need of in-home care and the individual's case manager to develop an authorized care plan. It also requires that appropriate federal Medicaid waivers be sought to permit reimbursement of these services under Medicaid. The bill exempts attendant care services performed by a personal services attendant from the practice of

medicine and nursing. It also makes certain other changes.

**Effective Date:** (Amended) Upon passage; July 1, 2001.

**Explanation of State Expenditures:** (Revised) This bill establishes a 20-member Governor's Commission on Caregivers to study issues regarding the availability and quality of caregivers in long term care health settings. Specifically, the Commission will do the following: (1) review data and information on the availability and need for long term caregivers, (2) evaluate barriers to increasing the supply of long term caregivers, (3) evaluate the adequacy of existing training programs in the state for long term caregivers, and (4) develop recommendations to increase the supply of long term caregivers.

Nine members of the Commission will be state employees or elected officials and eleven will be lay members. The chairperson of the Commission will be the Governor or the Governor's designee on the Commission. Lay members are entitled to a per diem of \$50 (\$550 per diem for all lay members per meeting). Total costs will depend on the number of meetings held.

In addition, this bill provides for an appropriation of \$49,000 from the state General fund to provide for staff support necessary to meet the operational and research requirements of the Commission. These funds will not revert to the state General Fund at the close of the fiscal year but rather will remain available to the Commission through October 1, 2002, the date the Commission's final report is to be submitted to the Governor and the Legislative Council.

This bill also allows the Drug Utilization Review Board to meet monthly. The Board is required to evaluate and make recommendations to the Office of Medicaid Policy and Planning on programs or initiatives that can be used to reduce costs in the Medicaid outpatient prescription drug program. In conjunction with the Office, the Board is to prepare a quarterly report regarding the cost savings and other information for the Select Joint Committee on Medicaid Oversight. FSSA reports that this provision will require additional staff time that will be absorbed within the current level of resources available.

The bill also extends the authority of the Indiana Prescription Drug Advisory Committee until December 31, 2003. *(Currently, the authority for the Committee expires December 31, 2001.)* The expenses of the Committee meetings are paid from the appropriations of the Master Settlement Agreement Tobacco Fund.

The attendant care provisions of this bill are estimated to have either no fiscal impact or, potentially, a small savings to the Medicaid and CHOICE programs.

This bill allows an individual recipient in the Medicaid or CHOICE program who is in need of in-home care to be responsible for the recruiting, hiring, training, paying, dismissing, and supervising of a personal services attendant. According to the Division of Disabilities, Aging, and Rehabilitative Services (DDARS), this capability already exists within the CHOICE program.

The state of Kansas has had a similar provision in their Medicaid home and community-based waivers since about 1992. Representatives of the Kansas Department of Social and Rehabilitation Services (Kansas' Medicaid agency) and of the Occupational Center of Central Kansas (a non-profit organization) stated that this provision has been cost effective in their state and has reduced costs to their Medicaid program, largely due to the reduction in training expenses and overhead required of the Medicaid program.

The bill provides for the collection of registration fees (from in-home attendants) by DDARS within the

Family and Social Services Administration (FSSA). DDARS may also collect fees for shipping, handling, and copying expenses. The fees that may be collected are limited by the bill for the initial two-year period of the program. The limits are \$30 for registration fees and \$5 for handling fees.

**Explanation of State Revenues:** (Revised) See Explanation of State Expenditures, above, regarding fee revenue and federal reimbursement under the cost-shared Medicaid program.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Health, State Board of Nursing, Family and Social Services Administration, Office of Medicaid Policy and Planning, and the Indiana Pharmaceutical Assistance Program, Commission for Higher Education, State Superintendent of Public Instruction, Department of Workforce Development, Department of Commerce, Department of Labor.

**Local Agencies Affected:**

**Information Sources:** Susan Preble, Legislative Liaison for Family and Social Services Administration. Ms. Margaret Zillinger, Kansas Department of Social and Rehabilitative Services, (785) 296-7010; Ms. Jan Mandella, Occupational Centers of Central Kansas, (785) 825-2675.